

Briefing material
used to brief Milt Eisenhower
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VOLATILITY OF SOVIET TRADE WITH THE WEST

A. The Pre-War Years.

As the following table indicates, Soviet imports during the years of the First Five-Year Plan (1929-1933) fell from a 1931 peak of nearly one billion dollars to almost one-fifth of that in 1934. During this period between 80 and 90 percent of Soviet imports represented capital goods. During the Second Five-Year Plan total imports continued at a low level and by 1937 imports of machinery and equipment amounted only to one-seventh of the 1931 level.

USSR Foreign Trade
1929-1938

Million US current dollars

<u>Year</u>	<u>Exports</u>	<u>Imports</u>
1929	804.8	767.3
1930	903.0	922.5
1931	706.8	962.8 <
1932	501.0	613.5
1933	431.8	303.5
1934	364.5	202.5 <
1935	320.0	210.3
1936	270.3	269.0
1937	327.8	254.0
1938	255.3	272.5

B. The Post-War Years.

During the post-war period Soviet trade with the West has varied from a low of \$600 million during the years of the Korean War to a high of \$2 billion in 1958. In addition to changes in the level

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of total trade, the volume of trade with several individual countries has been subject to politically-induced volatility. For example, when the USSR stopped purchasing wool from Australia as a result of a rupture in diplomatic relations in 1954, Australian sales dropped from \$32 million to almost nothing in 1955. Or again, Soviet trade with Yugoslavia increased from nothing in 1954 to \$130 million in 1957, but in 1958 fell to less than \$100 million. In November 1958 Soviet dissatisfaction with Finnish domestic politics caused the USSR to stop all crude oil deliveries to Finland for the remainder of 1958, to cancel all Finnish deliveries to the USSR of orders scheduled for shipment and to delay payments to Finnish exporters amounting to \$6 million for the balance of 1958.

Some examples of the volatility of Soviet commodity trade with the West (arising from a number of factors, both economic and political) may be seen from the following data (millions of current \$US):

	<u>1953</u>	<u>1954</u>	<u>1955</u>	<u>1956</u>	<u>1957</u>
<u>USSR Imports</u>					
Natural Rubber	17	neg.	19	88	53
Sugar	n.r.	5	48	14	70
Cocoa	neg.	22	11	6	19
Wool	40	59	33	21	53
Meat & Dairy Products	10	76	46	11	14

n.r. -- none reported.

neg. -- negligible (less than \$1 million).

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